

California Environmental Protection Agency



**Air Toxics “Hot Spots” Program
Annual Status Report on State Fees
Fiscal Year 2010-2011**

(July 2010 through June 2011)

DRAFT

January 2011

Air Toxics “Hot Spots” Program Annual Status Report on State Fees Fiscal Year 2010-2011

This Annual Status Report on State Fees was prepared by the Air Resources Board (ARB/Board) as required by the AB 2588 Air Toxics “Hot Spots” Fee Regulation (last amended in Fiscal Year 2001-2002; section 90700, title 17, California Code of Regulations (CCR)). The Report provides the public with details about State fees to support the Air Toxics “Hot Spots” program for fiscal year 2010-2011.

The Annual Status Report on State Fees is available on our website at: <http://www.arb.ca.gov/ab2588/2588fees.htm>. The website also contains information on the Air Toxics “Hot Spots” program. For questions regarding this report, or the Air Toxics “Hot Spots” program in general, please contact Mr. Chris Halm at (916) 323-4865, or via email at chalm@arb.ca.gov.

Air Toxics “Hot Spots” Program Annual Status Report on State Fees Fiscal Year 2010-2011

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Background

The Air Toxics "Hot Spots" Information and Assessment Act of 1987¹ (AB 2588/the Act) established a program to compile an inventory of air toxics emissions from facilities in California, and to assess the potential risks to public health as a result of exposure to those emissions. The public is to be notified if a facility's emissions pose a significant health risk, and high-risk facilities are required to reduce their toxic emissions. The Act authorizes the Air Resources Board (ARB) and districts to assess fees to recover the costs to implement and administer the Air Toxics "Hot Spots" program ("Hot Spots" program). A list of all of the facilities in the "Hot Spots" program that pay State fees is available on ARB's website at: <http://www.arb.ca.gov/ab2588/2588fees.htm>.

Between 1988 and 2001, the ARB annually amended the "Hot Spots" Fee Regulation² (Fee Regulation) to calculate fees for that fiscal year. In fiscal year 2001-2002, the Board amended the Fee Regulation to change the annual update from a regulatory to an administrative process. The fees program for fiscal year 2010-2011 is being updated under this streamlined administrative process.

Facilities that are subject to the "Hot Spots" program are placed in one of seven risk categories, where the higher risk facilities pay higher fees.

Table 1: State Fees for Each Risk Category

Fee Category	Fee Category Description	State Fee (\$)		
		Simple	Medium	Complex
A	Priority Score > 10	1,674	2,009	2,344
B	$10 \leq \text{Risk} < 50$; or acute or chronic hazard index > 1	3,014	3,349	3,684
C	$50 \leq \text{Risk} < 100$	4,353	4,688	5,023
D	$\text{Risk} \geq 100$	5,693	6,028	6,363
E	Unprioritized	402	603	804
F	$1 \leq \text{Risk} < 10$; or $0.1 \leq$ acute or chronic hazard index ≤ 1.0	67	100	134
IW	Industrywide	35		
Fee Exempt	Priority Score ≤ 10	0		
Exempt from Program	Priority Score ≤ 1 or [Risk < 1 and acute and chronic H.I < 0.1]	0		

1 Health and Safety Code sections 44300-44394, Stats. 1987, Ch. 1252; as amended by Stats. 1989, Ch. 1254; Stats. 1990, Ch. 1432; Stats. 1992, Ch. 375; Stats. 1992, Ch. 1162; Stats. 1993, Ch. 1037; Stats. 1993, Ch. 1041; and Stats. 1996, Ch. 602.

2 Title 17, California Code of Regulations, sections 90700-90705.

For the current fiscal year, ARB staff used the same fee rates for each risk category that have been used for the past ten years to determine fees. The ability to calculate fees based on a previous year's formula was approved by the Office of Administrative Law (OAL) on June 10, 2002. If it becomes necessary to change the fee rate for each risk category, ARB will amend the Fee Regulation through the standard public comment and Board hearing process. Unless that situation arises, the same fee rates, approved in the Fee Regulation for Fiscal Year 2001-2002 and presented in Table 1 of this report, will remain constant and will apply until such time as the Fee Regulation is amended. To obtain a copy of the Fee Regulation, visit our website at:
<http://www.arb.ca.gov/ab2588/2588fees.htm>.

District Regulations and Fees

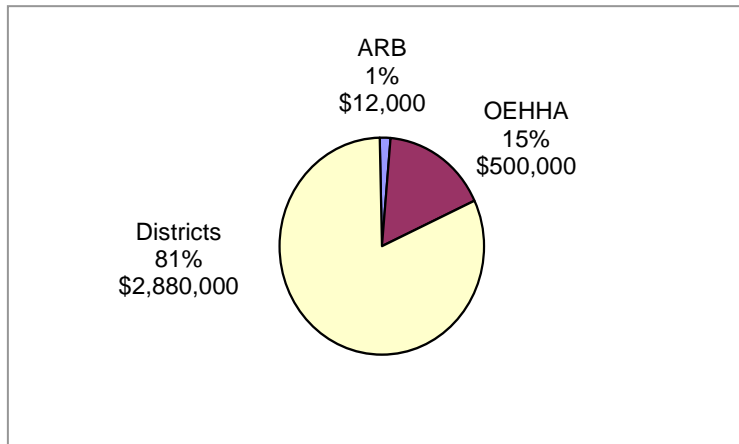
ARB no longer adopts fee regulations for air pollution control and air quality management districts as part of the annual administrative process. The ARB staff worked with the affected districts to develop a new method for recovering the costs of implementing the program for districts that have not adopted their own local fee regulation. This method began in fiscal year 2002-2003 and continues in the current fiscal year (2010-2011). Under this method, if a district has not adopted its own fee regulation, the Executive Officer of the ARB will authorize districts to recover district program costs from facilities that are subject to the State Fee Regulation. This amount may be up to, but shall not exceed, the State program cost on a per-facility basis. The total fee for a facility could be less if the district needed less than the full amount of the State cost to recover its district program costs. This provision would in no way preclude districts from adopting their own fee regulations.

This option is designed primarily to allow small districts with low program costs to recover the cost of implementing the program without the need for adopting a local fee regulation. Because most districts have already adopted their own fee regulation, few districts make use of this option. This method ensures that this State-adopted district fee value complies with H&SC Section 44380(a)(3), which requires the fees for facilities to be based on their emissions, and that facilities in districts using this option will have the certainty of knowing the ceiling for their district fees.

Current Fee Totals

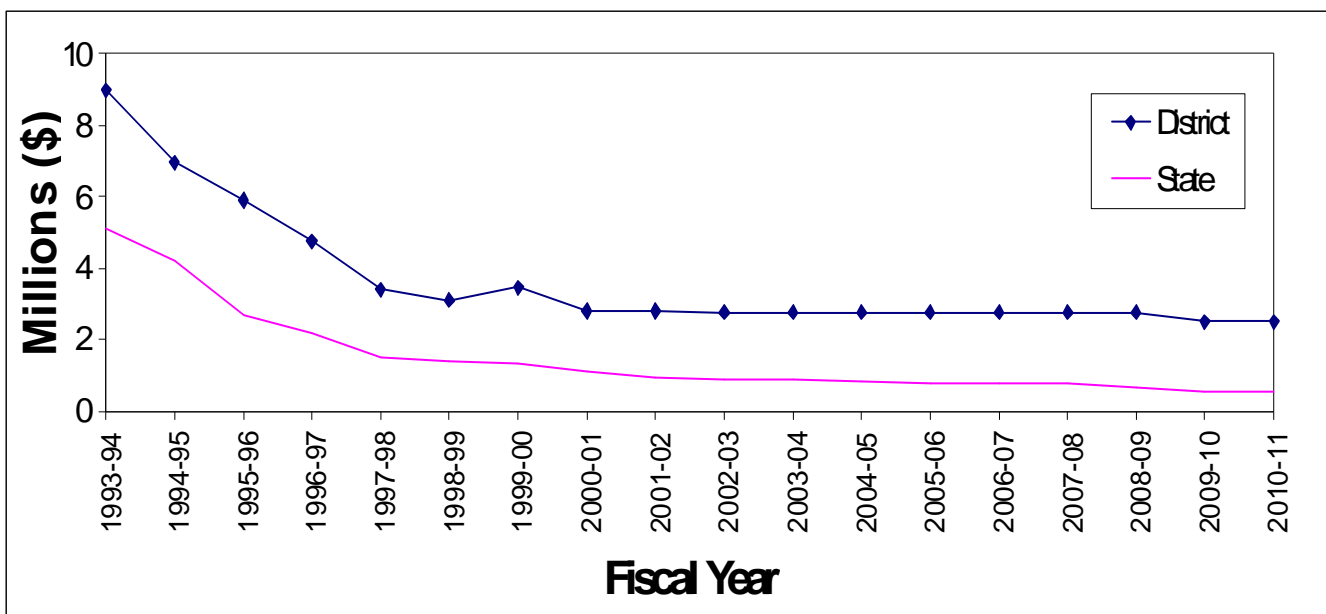
For fiscal year 2010-2011, the amount of State costs for the program is approximately \$512,000 and the district costs are approximately \$2,880,000. The State costs are divided between the ARB and the Office of Environmental Health Hazard Assessment (OEHHA). The district costs are determined and approved by each local district and are not affected by the State Fee Regulation. This cost distribution is depicted in Figure 1.

Figure 1: Distribution of Costs



The approximately \$512,000 collected to support State activities for fiscal year 2010-2011 is a 90 percent reduction since fiscal year 1993-1994. This total reduction in costs is due to reductions in toxic emissions from facilities, a reduction in workload resulting from legislative changes to the program, and certain classes of facilities being exempted from the fee program. The reductions also reflect the fact that many of the original tasks mandated by the Act have been completed. As shown in Figure 2, the State fees dropped rapidly between 1993 and 1997, while the last decade has seen the State fees leveling off. This is a result of keeping fees for fee categories the same, while incorporating small year-to-year changes in the number of facilities subject to the program.

Figure 2: State and District Costs



State and District Fees

The following five tables provide information about the fees associated with the Air Toxics “Hot Spots” program. Table 2 shows fees collected from facilities in California’s 35 air districts. Core fees are assessed on non-industrywide facilities, like refineries and power plants, and are calculated based on risk categories that range from \$67 to \$6,363. Industrywide facilities include gasoline stations, dry cleaners and autobody shops, and are charged a flat rate of \$35. Low-risk facilities are exempt from State fees.

Table 2: Total State Fees for Fiscal Year 2010-2011

District	Core Fees	Industrywide Fees	Total State Fees
Amador County APCD	0	0	0
Antelope Valley APCD	3,818	1,855	5,673
Bay Area AQMD	4,986	4,795	9,781
Butte County AQMD	201	0	201
Calaveras County APCD	0	0	0
Colusa County APCD	0	0	0
El Dorado County APCD	402	2,905	3,307
Feather River AQMD	0	0	0
Glenn County APCD	0	0	0
Great Basin Unified APCD	3,282	315	3,597
Imperial County APCD	7,100	2,520	9,620
Kern County APCD	268	350	618
Lake County APCD	0	0	0
Lassen County APCD	0	0	0
Mariposa County APCD	0	35	35
Mendocino County AQMD	1,608	2,835	4,443
Modoc County APCD	0	0	0
Mojave Desert AQMD	11,152	7,455	18,607
Monterey Bay Unified APCD	134	560	694
North Coast Unified AQMD	67	1,155	1,222
Northern Sierra AQMD	0	770	770
Northern Sonoma County APCD	0	0	0
Placer County APCD	7,199	2,415	9,614
Sacramento Metro AQMD	15,437	11,060	26,497
San Diego County APCD	40,380	2,835	43,215
San Joaquin Valley APCD	12,055	11,445	23,500
San Luis Obispo County APCD	0	420	420
Santa Barbara County APCD	14,432	3,115	17,547
Shasta County AQMD	267	0	267
Siskiyou County APCD	4,020	210	4,230
South Coast AQMD	94,716	229,530	324,246
Tehama County APCD	67	0	67
Tuolumne County APCD	0	0	0
Ventura County APCD	1,740	1,645	3,385
Yolo-Solano AQMD	1,105	35	1,140
TOTALS	224,436	287,805	\$512,241

The dollar amounts shown in Table 3 below represent State fees collected from facilities in each district for the past three fiscal years. This amount includes both the core and industrywide fees for each district.

Table 3: Trend in State Fees for Three Fiscal Years

District	2008-2009	2009-2010	2010-2011
Amador County APCD	0	0	0
Antelope Valley APCD	6,093	6,093	5,673
Bay Area AQMD	66,936	9,781	9,781
Butte County AQMD	201	201	201
Calaveras County APCD	0	0	0
Colusa County APCD	0	0	0
El Dorado County APCD	3,307	3,307	3,307
Feather River AQMD	2,676	0	0
Glenn County APCD	0	0	0
Great Basin Unified APCD	3,597	3,597	3,597
Imperial County APCD	9,620	9,620	9,620
Kern County APCD	618	618	618
Lake County APCD	0	0	0
Lassen County APCD	2,954	2,954	0
Mariposa County APCD	35	35	35
Mendocino County AQMD	4,443	4,443	4,443
Modoc County APCD	0	0	0
Mojave Desert AQMD	17,267	17,267	18,607
Monterey Bay Unified APCD	1,488	1,389	694
North Coast Unified AQMD	1,537	1,222	1,222
Northern Sierra AQMD	770	770	770
Northern Sonoma County APCD	0	0	0
Placer County APCD	9,011	9,011	9,614
Sacramento Metro AQMD	30,378	13,722	26,497
San Diego County APCD	60,341	47,234	43,215
San Joaquin Valley APCD	26,732	25,023	23,500
San Luis Obispo County APCD	420	420	420
Santa Barbara County APCD	27,768	21,097	17,547
Shasta County AQMD	334	334	267
Siskiyou County APCD	4,230	4,230	4,230
South Coast AQMD	356,274	335,746	324,246
Tehama County APCD	67	67	67
Tuolumne County APCD	134	0	0
Ventura County APCD	3,799	3,449	3,385
Yolo-Solano AQMD	1,140	1,542	1,140
TOTAL STATE FEES	642,170	\$523,172	\$512,241

Each district has compiled a list of industrywide facilities subject to State fees for the current fiscal year. Each industrywide facility is charged a flat rate of \$35 for the State fee. The total industrywide fees collected from facilities in each district are shown in Table 4 below. Several districts have completed risk assessments for their facilities, while other districts have still not completed the evaluation of their facilities.

**Table 4: Trend in State Fees for Industrywide Facilities
for Three Years**

District	Industrywide Fees for 2008-2009	Industrywide Fees for 2009-2010	Industrywide Fees for 2010-2011
Amador County APCD	0	0	0
Antelope Valley APCD	2,275	2,275	1,855
Bay Area AQMD	61,950	4,795	4,795
Butte County AQMD	0	0	0
Calaveras County APCD	0	0	0
Colusa County APCD	0	0	0
El Dorado County APCD	2,905	2,905	2,905
Feather River AQMD	1,470	0	0
Glenn County APCD	0	0	0
Great Basin Unified APCD	315	315	315
Imperial County APCD	2,520	2,520	2,520
Kern County APCD	350	350	350
Lake County APCD	0	0	0
Lassen County APCD	945	945	0
Mariposa County APCD	35	35	35
Mendocino County AQMD	2,835	2,835	2,835
Modoc County APCD	0	0	0
Mojave Desert AQMD	7,455	7,455	7,455
Monterey Bay Unified APCD	1,120	1,155	560
North Coast Unified AQMD	1,470	1,155	1,155
Northern Sierra AQMD	770	770	770
Northern Sonoma County APCD	0	0	0
Placer County APCD	2,415	2,415	2,415
Sacramento Metro AQMD	12,530	12,285	11,060
San Diego County APCD	3,185	2,835	2,835
San Joaquin Valley APCD	14,175	13,370	11,445
San Luis Obispo County APCD	420	420	420
Santa Barbara County APCD	3,255	3,115	3,115
Shasta County AQMD	0	0	0
Siskiyou County APCD	210	210	210
South Coast AQMD	236,915	232,995	229,530
Tehama County APCD	0	0	0
Tuolumne County APCD	0	0	0
Ventura County APCD	1,925	1,575	1,645
Yolo-Solano AQMD	35	35	35
TOTALS	361,480	296,765	287,805

The dollar amounts shown in Table 5 below represent the amount of fees collected by each district to recover their own costs of administering the Air Toxics “Hot Spots” program. These fees remain separate from State fees. Where districts did not specify a change in their district costs, the previous year’s estimates were used.

Table 5: District Costs for Fiscal Year 2010-2011

District	
Amador County APCD	1,810
Antelope Valley APCD	12,570
Bay Area AQMD	480,240
Butte County AQMD	0
Calaveras County APCD	0
Colusa County APCD	2,000
El Dorado County APCD	7,480
Feather River AQMD	35,000
Glenn County APCD	0
Great Basin Unified APCD	3,570
Imperial County APCD	770
Kern County APCD	4,866
Lake County APCD	2,000
Lassen County APCD	1,788
Mariposa County APCD	0
Mendocino County AQMD	14,519
Modoc County APCD	0
Mojave Desert AQMD	31,985
Monterey Bay Unified APCD	70,026
North Coast Unified AQMD	0
Northern Sierra AQMD	27,500
Northern Sonoma County APCD	0
Placer County APCD	15,000
Sacramento Metro AQMD	61,787
San Diego County APCD	270,000
San Joaquin Valley APCD	209,481
San Luis Obispo County APCD	34,303
Santa Barbara County APCD	55,275
Shasta County AQMD	12,000
Siskiyou County APCD	5,700
South Coast AQMD	1,445,000
Tehama County APCD	3,000
Tuolumne County APCD	4,450
Ventura County APCD	49,000
Yolo-Solano AQMD	9,609
TOTAL DISTRICT FEES	\$2,870,729

The State fees that are collected as part of the Air Toxics “Hot Spots” program allow ARB and OEHHA to conduct a variety of activities, as shown in Table 6. Recently, most of the State fees that have been collected by ARB have been sent to OEHHA in order to maintain staffing that supports critical ARB programs. This annual report on fees focuses only on State fees allocated to ARB and OEHHA. Local air districts adopt their own fee rules, or collect fees subject to the procedures in the Fee Regulation.

Table 6: State Program Costs for the ARB and OEHHA

Agency	Task	PYs*	Staff Cost	Contract Cost	Total
ARB	Air Toxics Emission Database Maintenance			5,000	5,000
ARB	Emission Data Collection and Validation	0.1	7,000	0	7,000
ARB	Subtotal	0.1	7,000	5,000	12,000
OEHHA	Health Effects Value Update	2.0	220,000	50,000	270,000
OEHHA	Risk Assessment Guidance Manual Update	1.3	140,000	0	140,000
OEHHA	Exposure Assessment	0.8	90,000	0	90,000
OEHHA	Subtotal	4.1	450,000	50,000	500,000
	Total for ARB and OEHHA	4.2	457,000	55,000	512,000

* PY is equal to a staff position for a specific task and is only an approximation.

District Contacts

If you have specific questions about a facility, you may want to contact the district directly using the following contact information. Additional contact information for local air districts is at <http://www.capcoa.org> and <http://www.arb.ca.gov/capcoa/roster.htm>.

Amador County APCD	Michael Boitano	(209) 257-0112
Antelope Valley APCD	Chris Anderson	(661) 723-8070
Bay Area AQMD	Catherine Fortney	(415) 771-6000
Butte County APCD	David Lusk	(530) 891-2882
Calaveras County APCD	Brian Moss	(209) 754-6400
Colusa County APCD	Don Kitamura	(530) 458-3788
El Dorado County APCD.....	Steven McKinney	(530) 621-6662
Feather River AQMD	Matt Baldwin	(530) 634-7659
Glenn County APCD.....	Kevin Tokunaga	(530) 934-6500
Great Basin Unified APCD.....	Jon Becknell	(760) 872-8211
Imperial County APCD.....	Jesus Ramirez	(760) 482-4606
Kern County APCD.....	Glen Stephens	(661) 862-5250
Lake County APCD.....	Doug Gearhart	(707) 263-7000
Lassen County APCD.....	Jim Donnelly	(530) 251-8110
Mariposa County APCD.....	Dave Conway	(209) 966-2220
Mendocino County AQMD	Bob Scaglione	(707) 463-4354
Modoc County APCD.....	Joe Moreo	(530) 233-6419
Mojave Desert AQMD	Richard Wales	(760) 245-1661
Monterey Bay Unified APCD.....	David Craft	(831) 647-9411
North Coast Unified AQMD	Jason Davis	(707) 443-3093
Northern Sierra AQMD.....	Joe Fish	(530) 274-7546
Northern Sonoma County APCD	Sean Connolly	(707) 433-5911
Placer County APCD	Todd Nishikawa	(530) 889-7130
Sacramento Metro AQMD.....	Michelle Joe	(916) 874-4853
San Diego County APCD.....	Dave Byrnes	(858) 586-2736
San Joaquin Valley Unified APCD	Ester Davila	(559) 230-6000
San Luis Obispo County APCD	Paul Reitz	(805) 781-4247
Santa Barbara County APCD	Mike Goldman	(805) 961-8821
Shasta County APCD	Donal Jonio	(530) 225-5236
Siskiyou County APCD	Eldon Beck	(530) 841-4029
South Coast AQMD	Tom Chico	(909) 396-2000
Tehama County APCD	Joe Sunday	(530) 527-3717
Tuolumne County APCD.....	Bill Sandman	(209) 533-5693
Ventura County APCD.....	Terri Thomas	(805) 645-1405
Yolo-Solano County APCD	Dave Smith	(530) 757-3662
CAPCOA.....	Mel Zeldin	(916) 449-9603
OEHHA	Melanie Marty	(510) 622-3154
ARB	Chris Halm	(916) 323-4865